

## Accepted Manuscript

Title: Do societal values influence financial development?  
New evidence on the effects of post materialism and  
institutions on stock markets

Author: Jacob Jordaan Bogdan Dima Ionunull Golenull



PII: S0167-2681(16)30222-0  
DOI: <http://dx.doi.org/doi:10.1016/j.jebo.2016.10.007>  
Reference: JEBO 3899

To appear in: *Journal of Economic Behavior & Organization*

Received date: 8-12-2015  
Revised date: 20-9-2016  
Accepted date: 13-10-2016

Please cite this article as: Jordaan, Jacob, Dima, Bogdan, Golex21b;, Ionux21b;., Do societal values influence financial development? New evidence on the effects of post materialism and institutions on stock markets. *Journal of Economic Behavior and Organization* <http://dx.doi.org/10.1016/j.jebo.2016.10.007>

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

## Do societal values influence financial development? New evidence on the effects of post materialism and institutions on stock markets

Jacob Jordaan<sup>a</sup>, Bogdan Dima<sup>b</sup>, Ionuț Golet<sup>c</sup>

<sup>a</sup> Utrecht University, Utrecht School of Economics, Adam Smith Hall, International Campus Utrecht, Kriekenpitplein 21-22, 3584 EC Utrecht - the Netherlands, email: j.a.jordaan@uu.nl

<sup>b</sup> West University of Timișoara, Faculty of Economics and Business Administration, Department of Finance, Str. J. H. Pestalozzi 16, 300115 - Timișoara, Romania, e-mail: bogdan.dima@e-uvt.ro

<sup>c</sup> West University of Timișoara, Faculty of Economics and Business Administration, Department of Management, West University of Timișoara, Str. J. H. Pestalozzi 16, 300115 - Timișoara, Romania, e-mail: ionut.golet@e-uvt.ro

### Abstract

In this paper we present new evidence on the effects of social values on stock market development. Using panel data for a heterogeneous set of 43 countries, we use the Inglehart post materialism index to identify the relation between the degree of post materialism and the size of stock markets. Controlling for a range of macro-economic and institutional country characteristics and accounting for endogenous relationships between the main variables of interest, we find a robust and sizeable positive effect of post materialism on stock markets. Legal, political and democratic institutions also promote the development of stock markets. Furthermore, we find that the effect of post materialism consists of a direct effect and a substantial indirect effect that runs via several types of institutions. This latter finding indicates that it is important to account for interrelationships between social values and institutions when estimating their full economic effects.

**JEL classification:** A13, O16, 43

**Key Words:** Post materialism, Stock markets, Macro-economic Characteristics, Institutions

Download English Version:

<https://daneshyari.com/en/article/5034718>

Download Persian Version:

<https://daneshyari.com/article/5034718>

[Daneshyari.com](https://daneshyari.com)